

FREQUENTLY ASKED QUESTIONS

My auto insurance policy is with one of the five companies that made a commitment to Governor Manchin to reduce rates. My policy renewed on June 1 and my premiums didn't go down, why?

The five companies committed to filing new rates with the Insurance Commission within 90 days of the July 8, 2005 effective date of the legislation. All five companies filed their rates in May; much earlier than what they committed to. The effective date for the five company's new rates varies depending on when they filed their rates with the Insurance Commission, so you will see your new rate upon renewal of your policy following the effective date of the company's new rates.

Why are only five insurance companies, not all of them, lowering their rates due to the new civil justice and insurance reforms?

The five companies that committed to reducing premiums insure approximately 70% of the automobile insurance market in West Virginia. The competitive market caused by the lowering of rates by the largest companies will pressure other companies to follow suit. In fact, the Insurance Commission has received rate reduction filings from additional companies that were not part of the commitment made by the five companies to reduce premiums. We are confident this trend will continue. Based on the filings received to date, West Virginia insurance consumers will save over \$54 million.

I just received my premium renewal notice and my premium went up. I thought it would go down due to the new civil justice and insurance reforms...

Several companies received rate increases prior to Governor Manchin's effort to reduce insurance premiums; their effective dates vary. Depending on which company you are with, it is possible that you will see an increase prior to the new law taking effect July 8, 2005. If you are insured by one of the companies that have filed for rate reductions, you will see your reduction upon renewal of your policy following the effective date for the company's new rates.

My premium on my commercial insurance just went up. I thought the recent civil justice and insurance reforms were supposed to help reduce premiums...

In addition to the recent civil justice reforms that were passed by the legislature, West Virginia joined the vast majority of states by recently converting to a file and use regulatory system for Commercial Lines of insurance. The former prior approval system required companies to file all forms and rates they wished to employ prior to using them in our market. As the term indicates, file and use allows a company to file forms and rates with the Insurance Commission and begin using them immediately however, the filings are still subject to review. Studies indicate that facilitating a company's ability to enter a market or amend its current product in a timelier manner encourages a more competitive market which is ultimately good for the consumer.

What can I do to lower my insurance premiums even further?

Insurance premiums are based on your insurers' loss experience for similar groups of people and the type and value of your automobile. In addition, your driving experience, traffic violations, number of miles driven, claims history, level of your deductibles and amount of coverage are all factors considered by a company when it calculates your premium. We encourage all consumers to review their policies each year to determine the appropriateness of the coverage and to periodically obtain quotes from other companies to assure you are obtaining a competitive premium and adequate coverage. The Insurance Commission's consumer service representatives are available to assist you and may be contacted at 1-888-TRY-WVIC.